



Gary Prettyman  
Senior Director-Regulatory Business  
461 From Road, Suite 400  
Paramus, NJ 07652  
tel 201-784-7083  
fax 201-750-5728  
email Gary.Prettyman@suez-na.com

**Via DelaFile**

November 27, 2017

Ms. Donna Nickerson, Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

SUBJECT: SUEZ Water Delaware Inc. (SWDE)  
Distribution System Improvement Charge (DSIC) Filing

Dear Secretary Nickerson:

Pursuant to 26 Del.C. § 304 (b)(5), SUEZ Water Delaware Inc. has filed an application via DelaFile for the adjustment of its Distribution System Improvement Charge to become effective on January 1, 2018.

I can be reached at (201) 784-7083 or via email at [gary.prettyman@suez-na.com](mailto:gary.prettyman@suez-na.com) if you have any questions pertaining to this filing.

Very Truly Yours,

A handwritten signature in black ink that reads "Gary Prettyman /dr".

Gary Prettyman  
Senior Director-Regulatory Business

Enclosures

cc: Division of Public Advocate  
J. Hollenbach  
L. Finnicum



BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF :  
SUEZ WATER DELAWARE INC. :  
CONCERNING THE SEMI ANNUAL :  
ADJUSTMENT TO THE DISTRIBUTUION :  
SYSTEM IMPROVEMENT CHARGE ("DSIC") :  
EFFECTIVE JANUARY 1, 2018 PURSUANT TO :  
DEL. C. § 314(b) (5) :

SUEZ WATER DELAWARE INC. (hereinafter referred to as "SWDE") a duly organized and existing Public Water Utility Corporation, regulated by the Delaware Public Service Commission (hereinafter referred to as the "Commission"), hereby petitions the Commission pursuant to 26 Del. C. § 314 (b) (5), for permission to adjust its Distribution System Improvement Charge (hereinafter "DSIC") effective January 1, 2018.

1. On November 30, 2001, UWDE filed for permission to establish a DSIC rate for the automatic adjustment of its rates and charges and providing for recovery of associated costs in accordance with 26 Del. C. § 314. UWDE's application received Commission approval on December 11, 2001, by Order 5854, PSC Docket No. 01-481.
2. Thus, pursuant to 26 Del. C. § 314 (b)(5) SWDE hereby requests Commission permission to adjust its DSIC rate. The aforementioned section states that the DSIC rate shall be adjusted semiannually for eligible distribution system improvements placed in service during the six month period ending 2 months prior to the effective date of changes in the DSIC rate.

3. Attached hereto, supporting the development of the surcharge are Schedules 1, 1A, 1B, 2 and 2A in accordance with Commission Order No. 8138 approved April 17, 2012, and the regulations approved therein.
4. Attached hereto as Schedule 3 are revised tariff sheets to P.S.C. No. 6 – Water, issued November 27, 2017 to become effective January 1, 2018:
  - Table of Contents – Twenty Eighth Revised Sheet No. 1
  - Miscellaneous Charges – Distribution Improvement Charge for SUEZ Water Delaware Inc. – Twenty Third Revised Sheet No. 17
5. The SWDE customer rate adjustment reflected by this application increases the DSIC Rate from 1.53% to 2.78%. The adjusted rate of 2.78% is to be applied to bills rendered on or after January 1, 2018. This increase is less than a (5%) increase in current rates of SWDE customers and, as such, satisfies the requirements of 26 Del. C. § 314 (b) (7).
6. Customers will be notified of this change with a statement that shall be printed on the first bill following the effective date of this change. The statement will indicate that the DSIC Rate has changed from 1.53% to 2.78% effective January 1, 2018.
7. SWDE requests a waiver from the currently established Minimum Filing Requirements. The form and content of this application are similar to those of the previous filing on May 25, 2017, which was agreed to by Commission Staff and the


Division of the Public Advocate in lieu of the pending establishment of specific filing requirements associated with the DSIC.

8. Concurrent with this filing, supporting work-papers are being filed with Commission Staff and the Division of the Public Advocate.
9. A copy of this filing has been forwarded to the Division of Public Advocate.

WHEREFORE, SWDE respectfully requests that the Commission approve the proposed Distribution System Improvement Charge and rate adjustment requested herein.

Respectfully submitted,  
SUEZ WATER DELAWARE INC.

Date: 11/27/2017

By:   
John Hollenbach  
General Manager and Vice President

**Schedule No. 1**  
**DEVELOPMENT OF RATE AND SUPPORTING DATA**  
**SUEZ Water Delaware**

	Item	Docket No. XXXXX 7/1/16-4/30/17	Docket No. XXXXX 5/1/17-10/31/17	Total
1	Net Utility Plant Additions	\$ 3,212,936	\$ 2,517,439	\$ 5,730,375
2	Net Accumulated Depreciation Reserve Change	\$ 349,296	\$ 423,314	\$ 772,610
3	Net Change in Rate Base (Line 1+ Line 2)	\$ 3,562,232	\$ 2,940,752	\$ 6,502,984
4	Pre-tax Rate of Return	11.25%	11.25%	11.25%
5	Semi-Annual Pre-Tax Rate of Return	5.63%	5.63%	5.63%
6	Semi-Annual Investment Cost Recovery	\$ 200,376	\$ 165,417	\$ 365,793
7	Semi-Annual Depreciation Expense	\$ 24,253	\$ 18,710	\$ 42,963
8	Total Semi-Annual DSIC Revenue Requirement (Line 6 + Line 7)	\$ 224,629	\$ 184,127	\$ 408,756
8A	Total Over/(Under) Collection from Previous DSIC Revenue Requirement			
9	Total Semi-Annual DSIC Revenue Requirement	\$ 224,629	\$ 184,127	\$ 408,756
10	Semi-Annual Projected Water Service Revenues	\$ 14,691,439	\$ 14,702,407	\$ 14,702,407
11	Projected DSIC Rate Increase Percentage	1.53%	1.25%	2.78%

**- Schedule No. 1A -  
CAPITAL STRUCTURE APPROVED IN MOST RECENT GENERAL/BASE RATE CASE**

**SUEZ Water Delaware**

Capital Structure in in PSC Docket 16-0163, March 1, 2017					
	Percentage	Cost	Weighted Cost	Revenue Multiplier	Pre-Tax
Cost of Debt	46.66%	5.19%	2.42%		2.42%
Cost of Equity	53.34%	9.75%	5.20%	1.69795	8.83%
	100.00%		7.62%		11.25%

**- Schedule No. 1B -  
OVER/UNDERCOLLECTIONS FROM PREVIOUS DSIC FILINGS  
SUEZ Water Delaware**

Docket No.	Over/(Under) Collection
2016 Reconciliation	\$ - *
Total	\$ -

**- Schedule No. 2 -**  
**PROJECTS PLACED INTO SERVICE AND/OR RETIRED**  
**SUEZ Water Delaware**

Utility Plant in Service 7/1/16 - 4/30/17				
Project Name	Description	Project No.	DSIC Amount (net of CIAC)	Retirement Costs
Veale and Harvey Roads	Replace Mains	C13D603_027_001	\$ 470	
Piendak 30" Main Lining	Replace Mains	C13D651_027_001	\$ 280	
Repl Domestic Svcs	Replace Services	C14F501_027_001	\$ (1,600)	
Replace Hydrants	Replace Hydrants	C15D501_027_001	\$ 610	
Replace Short Mains and Valves	Replace Short Mains and Valves	C15D502_027_001	\$ 3,288	
Deepwood Drive	Replace Mains	C15D602_027_001	\$ 21,498	
White Clay Creek 20" Main Brk	Replace Mains	C15D654_027_001	\$ 5,727	
Replace Domestic Services	Replace Services	C15F501_027_001	\$ 9,101	
Replace Customer Meters	Replace Meters	C15G501_027_001	\$ 44,790	
Repl Short Mains Valves	Replace Short Mains and Valves	C16D502_027_001	\$ 3,090	
Eagle Run Rd - 12" Main & Hyd	Replace Mains	C16D503_027_002	\$ 1,477	
Rt 71 & Old Porter Rd - DOT	DeIDOT Mains	C16D701_027_001	\$ (39,513)	\$ 14,914
Repl Customer Meters	Replace Meters	C16G501_027_001	\$ 11,535	
Salem Church Road	New Mains-- Eliminate Dead Ends	C17D102_027_001	\$ 27,422	
Repl 20" Valve - North of I95	Replace Short Mains and Valves	C17D501_027_001	\$ 31,517	\$ 22
Washington Street Extension	Replace Mains	C17D603_027_001	\$ 4,249	
West Clearview Ave & Harrison Ave	Replace Mains	C17D605_027_001	\$ 556,217	\$ 43,235
Wiltshire Road	Replace Mains	C17D606_027_001	\$ 477,686	\$ 11,194
Georgetown Ave	Replace Mains	C17D607_027_001	\$ 198,949	\$ 10,056
Parkside Blvd.	Replace Mains	C17D608_027_001	\$ 391,159	\$ 14,473
Montvale Road	Replace Mains	C17D610_027_001	\$ 201,496	\$ 11,070
Sonora Ave	Replace Mains	C17D611_027_001	\$ 43,143	\$ 16,622
Myrtle Ave DOT	DeIDOT Mains	C17D701_027_001	\$ 106,840	
Replacement Fire Hydrants	Replace Hydrants	CYYD501_027_001	\$ 12,809	\$ 1,126
Repl Short Mains and Valves	Replace Short Mains and Valves	CYYD502_027_001	\$ 173,905	\$ 5,133
HS #5 20" Unitflange Gasket Repl	Replace Short Mains and Valves	CYYD502_027_002	\$ 172	
Repl. Section of Pipe- Bellevue	Replace Short Mains and Valves	CYYD502_027_003	\$ 10,432	\$ 232
Cauffiel Pky 20" Valve & Fox Point	Replace Short Mains and Valves	CYYD502_027_004	\$ 41,031	\$ 22
Repl Domestic Services	Replace Services	CYYF501_027_001	\$ 266,512	\$ 1,361
Repl Customer Meters	Replace Meters	CYYG501_027_001	\$ 300,610	\$ 247,000
Retired Mains not Replaced	Replace Short Mains and Valves	CYYD502_027_005		\$ 11,002
TOTAL			\$ 2,904,900	\$ 387,461
NET TOTAL			\$ 2,517,439	



- Schedule No. 2A -  
**NET ACCUMULATED DEPRECIATION**  
**SUEZ Water Delaware**

Utility Plant in Service 7/1/16 - 4/30/17

<u>Account Name</u>	<u>NARUC Account</u>	<u>Amount</u>	<u>Depreciation Rate</u>	<u>Depreciation Amount</u>
Struct. & Improvements	33100	\$ -	1.23%	\$ -
Water Treatment Equipment	33200	\$ -	2.53%	\$ -
Mains	34300	\$ 1,722,866	1.00%	\$ 17,229
Services DOM	34500	\$ 630,353	1.96%	\$ 12,355
Meters	34600	\$ 110,739	5.99%	\$ 6,633
Hydrants	34800	\$ 53,481	2.25%	\$ 1,203
Communications	39700	\$ -	7.34%	\$ -
<b>TOTAL</b>		<u>\$ 2,517,439</u>		<u>\$ 37,420</u>
<b>Semi-Annual Depreciation Expense</b>				<u><b>\$ 18,710</b></u>

Accumulated Depreciation Reserve Change	
Semi-Annual Depreciation Expense	\$ 18,710
Retirements and Cost of Removal	\$ (442,024)
<b>TOTAL</b>	<b>\$ (423,314)</b>

## Schedule 3

### Revised Tariff Pages

TABLE OF CONTENTS

<u>Description</u>	<u>Sheet No.</u>	<u>Revision</u>
Index	1	Twenty Eighth Revised
<u>Rules and Regulations</u>		
Definitions	2	Original
Request for Service	2	Original
Service Connection	3	Original
Cross Connections	4	Third Revised
Meters	4	Third Revised
Meter Setting	4	Third Revised
Meter Testing	5	Original
Bills	5	Original
Discontinuance of Service	6	Second Revised
Customers' Deposits	7	Second Revised
Miscellaneous	8	Second Revised
Fire Protection	9	Third Revised
Water Main Extensions	10 – 10E	First Revised
Installation of Facilities	10F-10H	Third Revised
Appendix A Charges	10I	First Revised
Distribution System Improvement Charge (DSIC)	11 – 11B	Original
<u>Schedule of Rates</u>		
Schedule A – General Metered Rates	12	Twelfth Revised
Schedule A – Residential Service	12A	Twelfth Revised
Schedule A – Commercial Service	12B	Eleventh Revised
Schedule A – Industrial Service	12C	Eleventh Revised
Schedule A – Public Authority Service	12D	Eleventh Revised
Schedule A – Sales for Resale	12E	Eleventh Revised
Schedule B – Rates for Public Fire Hydrant Service	13	Ninth Revised
Schedule C – Rates for Private Fire Hydrant Service	14	Ninth Revised
Schedule D – Rates for Private Unmetered Fire Service Line	15	Ninth Revised
Schedule E – Miscellaneous Fees and Charges	16 – 16A	Original
Schedule F – Distribution System Improvement Charge (DSIC)	17	Twenty Third Revised

## DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 2.78% will apply to all charges for bills rendered on or after January 1, 2018.

The above charge will be recomputed semi-annually, using the elements prescribed by Section 314 of Title 26 of the Delaware Code.